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THE TORONTO STOCK EXCHANGE

5/17/73

FILING STATEMENT NO. 1867
FILED, MAY 31/73

file
QUEBEC STURGEON RIVER MINES LIMITED

Incorporated under the laws of Ontario by Letters Patent dated August 22, 1934 as amended by Supplementary Letters Patent dated August 18, 1955 and June 4, 1964 and by Amendment of Articles of Incorporation dated June 16, 1972

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous Filing Statement No. 1827

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

A private placement is proposed under Section 19(3) of The Securities Act of the Province of Ontario whereby Dominick Corporation of Canada Limited ("Dominick") will arrange for the purchase of 500,000 fully paid and non-assessable previously unissued shares of the Company at \$2.00 per share. There will be deducted from the proceeds of the issue \$70,000 payable to Dominick as fiscal agents of the Company. A tentative date for the closing of the transaction is set for May 28, 1973.

It is proposed the agreement relating to the private placement will provide, inter alia;

1. Dominick shall have a right of first refusal (excluding any rights offering and stand-by underwriting in respect thereof) to subsist to December 31, 1974 for all further financing required by the Company in connection with the development of the Bachelor Lake property. Such right of first refusal will extend for 30 days during such period;

2. In the event the Company makes a filing with the Securities and Exchange Commission in the United States of America, the Company will agree to include the above shares in any such registration statement;

3. The purchasers will provide the Company with the required The Toronto Stock Exchange investment intent questionnaire, completed forms 11 under The Securities Act for execution by the Company and filing with the required authorities and undertakings to comply with the applicable laws of this and certain other jurisdictions; and

4. For a market out clause.

Details of the purchasers and the number of shares being purchased are as follows:

Name	No. of Shares
American Express International Banking Corporation, P.O. Box 438-4000, Basle 2, Switzerland.	100,000
Banque de Paris et des Pays-Bas Pour Le Grand Duche de Luxembourg Societe Anonyme, 10A Blvd. Royal, Luxembourg, Luxemboroug.	200,000
United Overseas Bank, Quai des Berques 11, 1200 Geneva Switzerland.	100,000
Principal Venture Fund Ltd. 10-025 Jasper Avenue, Edmonton, Alberta.	50,000
Henry Heights Limited, 5089 Yonge Street, Willowdale, Ontario.	50,000

In accordance with the requirements of The Toronto Stock Exchange, American Express International Banking Corporation, Banque de Paris et des Pays-Pas Pour Le Grand Duche de Luxembourg Societe Anonyme, United Overseas Bank and Henry Heights Limited will deposit the shares being purchased with an acceptable depository and have agreed to hold the shares for 6 months subject to compliance with The Toronto Stock Exchange requirements as to earlier release.

2. Head office address and any other office address.	Suite 401, 25 Adelaide Street West, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	The Officers and Directors are: President and Director:- Harold Pullen Coplan, 88 Albert Street, Ottawa, Ontario; Retired, privately employed for more than 5 years. Vice-President of Exploration and Director:- Orville Alexander Seeber, P.Eng., 35 Widdicombe Hill, Weston, Ontario; Consulting Geologist, self-employed since February 29, 1972 and prior to that Vice-President of Exploration, Northgate Exploration Limited since January 1, 1969, previously at M.J. Boylen Engineering Services for more than 1 year. Director:- Philip Edward Boylen, 235 Warren Road, Toronto, Ontario; Broker, Watt, Carmichael Securities Limited, previously with Draper Dobie & Co. Ltd. for more than 5 years. Director:- L. Jules Gregoire, 112 Principale Street, Hull, Quebec, Civil Engineer, Partner, L.J. Gregoire and Company, for more than 5 years. Director:- H.D. Lee Snelling, Prescott Highway, Ottawa, Ontario, President, Prestech Associates Limited, for more than 5 years. Treasurer and Assistant Secretary:- James Hyde Morlock, Q.C., 1 Douglas Crescent, Toronto, Ontario; Solicitor, Morlock, Geisler, Burgess, Macdonald since May 1, 1971. Prior to that date self-employed for 1 year and with Lash, Johnston, Sheard & Pringle for more than 3 years. Secretary:- George Warren Armstrong, 250 Douglas Drive, Toronto, Ontario; Solicitor, self-employed since December 18, 1971, previously for more than 3 years prior thereto the Secretary of Northgate Exploration Limited.
4. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital is 5,000,000 shares without par value. The issued and outstanding capital is 3,862,113 fully paid shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule A attached. In addition, there is an Employees and Officers Stock Option Plan. The Plan as implemented provides for 125,000 previously unissued shares to be reserved which the directors could grant options on to persons who are employees or officers of the Company. The plan provides that all options are non-assignable and terminate in the event an employee or officer terminates his employment with the Company, subject only to certain rights in the event of death. There is also provisions under the plan for granting options to persons who are not full-time employees subject to the concurrence of The Toronto Stock Exchange. No options may be outstanding for more than 12 months and no person shall be entitled to an option for more than 25,000 shares. The purchase price shall be determined by the directors subject to the concurrence of The Toronto Stock Exchange. To date options have been exercised to purchase 51,000 shares. The only option now outstanding relates to 25,000 previously unissued shares, exercisable on or before June 16, 1973 at 31.5¢ per share, in favour of H.P. Coplan, the President of the Company.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	See Item 6.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	See Item 1.

9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company intends to utilize the funds for the following purposes: Bachelor Lake Project <table> <tr> <td>Underground Development Programme</td><td>\$700,000</td></tr> <tr> <td>Taylor - Stock Development Programme</td><td></td></tr> <tr> <td> Diamond Drilling</td><td>\$90,000</td></tr> <tr> <td> Option Payments</td><td>39,125</td></tr> <tr> <td>United Kingdom Programme</td><td>129,125</td></tr> <tr> <td>Fiscal Agent Fee - See Schedule A</td><td>50,000</td></tr> <tr> <td>Contingency</td><td>70,000</td></tr> <tr> <td></td><td>50,875</td></tr> <tr> <td></td><td><u>\$1,000,000</u></td></tr> </table>	Underground Development Programme	\$700,000	Taylor - Stock Development Programme		Diamond Drilling	\$90,000	Option Payments	39,125	United Kingdom Programme	129,125	Fiscal Agent Fee - See Schedule A	50,000	Contingency	70,000		50,875		<u>\$1,000,000</u>
Underground Development Programme	\$700,000																		
Taylor - Stock Development Programme																			
Diamond Drilling	\$90,000																		
Option Payments	39,125																		
United Kingdom Programme	129,125																		
Fiscal Agent Fee - See Schedule A	50,000																		
Contingency	70,000																		
	50,875																		
	<u>\$1,000,000</u>																		
10. Brief statement of company's chief development work during past year.	The Company's chief development work during the past year and the amounts expended during the past year was as follows: <u>Bachelor Lake</u> A series of 19 vertical holes for a total of 9,958 feet of surface diamond drilling and a review and recalculation of all previous drill results and geological data was undertaken. The amount expended by the Company during the past year was \$84,942.58. <u>Beardmore Area Property</u> The Company through its 95% owned subsidiary, Jupiter Minerals Inc., carried out a ground prospecting programme, detailed geochemical survey and a magnetometer and horizontal and vertical loop electromagnetic survey. The amount of the contributions by the Company during the past year to carry out the above work was \$16,033.69. <u>Taylor and Stock Township Area Properties</u> The Company has carried out a magnetometer survey and has as part of a continuing programme completed in excess of 10,000 feet of diamond drilling to confirm the structure in this completely overburdened area. The amount expended by the Company, excluding option payments, during the past year was \$16,329.62. <u>Savant Lake Property</u> The Company entered into a joint venture arrangement with The Coniagas Mines, Limited with each company holding a 50% interest. The Company, as manager, carried out a reconnaissance exploration programme on this property. The amount of the contributions by the Company during the past year to carry out the above work was \$2,523.01. Reference is made to the report dated May 7, 1973, of K.C. Wilson, P.Eng., Mining Engineer, a copy of which is on file with The Toronto Stock Exchange, 234 Bay Street, Toronto, Ontario, for descriptions of the foregoing properties and recommendations, and details of other properties held by the Company.																		
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	The Company does not intend to purchase any property or other assets, except such assets as may be required to carry out the programmes stated in Item 9 above.																		
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not Applicable.																		
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None.																		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not Applicable.																		

FINANCIAL STATEMENTS

QUEBEC STURGEON RIVER MINES LIMITED
(Incorporated under the laws of Ontario)

BALANCE SHEET - MARCH 31, 1973
(with comparative figures for December 31, 1972)
(unaudited)

	ASSETS	1973	1972
CURRENT ASSETS			
Cash		\$ 11,558	\$ 11,023
Short term notes receivable plus accrued interest		50,400	232,760
Accounts receivable		18,142	12,943
		<u>80,100</u>	<u>256,726</u>
INVESTMENTS AND ADVANCES in Corporate joint ventures (note 3)		<u>56,027</u>	<u>56,027</u>
INVESTMENT IN OTHER COMPANIES, at nominal value		<u>3</u>	<u>3</u>
MINING PROPERTIES AND FIXED ASSETS			
Fixed assets, at cost (note 5)		67,377	67,377
Payments under agreement to purchase mining properties (note 2)		224,195	220,395
		<u>291,572</u>	<u>287,772</u>
DEFERRED ASSETS			
Preproduction and deferred development expenditures		<u>838,552</u>	<u>751,335</u>
		<u>\$1,266,254</u>	<u>\$1,351,863</u>
	LIABILITIES		
CURRENT LIABILITIES			
Bank overdraft and loan - secured			\$ 53,164
Accounts payable and accrued liabilities		\$ 16,122	49,188
		<u>16,122</u>	<u>102,352</u>
	SHAREHOLDERS' EQUITY		
CAPITAL			
Authorized - 5,000,000 common shares of no par value (notes 2, 3, 6 and 7)			
Issued - 3,861,113 common shares (3,838,613, December 31, 1972)		1,315,610	1,308,522
CONTRIBUTED SURPLUS (note 4)		1,037,818	1,037,818
		2,353,428	2,346,340
RETAINED EARNINGS		(1,103,296)	(1,096,829)
		<u>1,250,132</u>	<u>1,249,511</u>
Approved on behalf of the Board		<u>\$1,266,254</u>	<u>\$1,351,863</u>

Harold P. Copleas Director

O. D. Dube Director

QUEBEC STURGEON RIVER MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the period ended March 31, 1973
(with comparative figures for the year ended December 31, 1972)
(unaudited)

	<u>1973</u>	<u>1972</u>
SOURCE OF FUNDS		
Interest earned	\$ 1,397	\$ 6,544
Sale of investments		3,425
Issue of common shares (note 6)	<u>7,088</u>	<u>464,962</u>
	<u>8,485</u>	<u>474,931</u>
APPLICATION OF FUNDS		
Mining claims staked and purchased	3,800	147,397
Investments and advances in corporate joint ventures		56,026
Purchase of fixed assets		7,496
Mining development and prospecting expenses	87,217	116,770
Administrative and general expenses	7,864	54,879
Commission expense on shares issued	<u>98,881</u>	<u>13,650</u>
	<u>98,881</u>	<u>396,218</u>
Increase (decrease) in working capital	(90,396)	78,713
Working capital, beginning of period	<u>154,374</u>	<u>75,661</u>
Working capital end of period	<u>\$ 63,978</u>	<u>\$ 154,374</u>

Approved on behalf of the Board

Marcel P. O. Blais Director

O. A. Seebur Director

QUEBEC STURGEON RIVER MINES LIMITED

STATEMENT OF RETAINED EARNINGS

For the period ended March 31, 1973
(with comparative figures for the year ended December 31, 1972)
(unaudited)

	<u>1973</u>	<u>1972</u>
Balance, beginning of period	\$(1,096,829)	\$ 277,105
Add: Interest earned	<u>1,397</u> <u>(1,095,432)</u>	<u>6,544</u> <u>283,649</u>
Deduct:		
Administrative and general	7,864	54,879
Write down of investments in other companies (note 1)		1,194,895
Lost in disposal of investments in other companies		117,054
Commission expense on stock issued		<u>13,650</u>
	<u>7,864</u>	<u>1,380,478</u>
Balance, end of period	<u>\$(1,103,296)</u>	<u>\$(1,096,829)</u>

STATEMENT OF PREPRODUCTION AND DEFERRED DEVELOPMENT EXPENDITURES

For the period ended March 31, 1973
(with comparative figures for the year ended December 31, 1972)
(unaudited)

	<u>1973</u>	<u>1972</u>
Balance, beginning of period	<u>\$ 751,335</u>	<u>\$ 634,565</u>
Add:		
Expenses for the period		
Drilling	62,151	37,911
Field expenses	1,155	8,357
Consulting fees	16,695	42,797
Salary and wages	1,555	9,278
Transportation	1,632	12,035
Surveys		2,685
Assays	1,848	1,892
General	<u>2,181</u>	<u>1,815</u>
	<u>87,217</u>	<u>116,770</u>
Balance, end of period	<u>\$ 838,552</u>	<u>\$ 751,335</u>

QUEBEC STURGEON RIVER MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1973
(unaudited)

1. INVESTMENTS IN OTHER COMPANIES

Shares - at nominal value	
294,938 Shares - Beauce Placer	\$1
375,000 Shares - Millstream Mines Limited (escrowed)	1
Notes Receivable	
5% Unsecured, deferred subordinated notes of Beauce Placer Mining Company Limited	<u>1</u>
	\$3
	<u><u> </u></u>

2. MINING PROPERTIES

The Company acquired in 1962 an option on 19 claims (held under five development licenses) and 1 mining concession in the Bachelor Lake Area of the Township of Lesuer, District of Abitibi East, Province of Quebec under an agreement which provided for a quarterly minimum royalty of \$4,500 and an aggregate maximum of \$275,000. After paying minimum royalties totalling \$67,500 further payments were suspended from December 28, 1965 by mutual agreement. Other costs in connection with the property amounted to \$5,498.

During 1972 the original option agreement was terminated and the Company acquired title to the property for an additional consideration of 150,000 previously unissued shares of the Company (being the fair equivalent of \$100,500) and the sum of \$5,000. The agreement further provided for the expenditure of \$50,000 on the property on or before September 30, 1973 by Quebec Sturgeon River Mines Limited.

Adjacent to the above property, the Company purchased a further 16 claims and caused to be staked 2 fractional claims at a cost of \$1,600. \$180,098

During 1972 the Company caused to be staked 3 mining claims located in the Township of Stock in the District of Cochrane in the Porcupine Mining Division, Province of Ontario, for the sum of \$3,040. 3,040

In 1972 the Company acquired options to purchase nine properties and in the period ended March 31, 1973 an additional 3 properties in the Townships of Stock and Taylor in the Porcupine and Larder Lake Mining Divisions. These options required a total payment of \$19,545 with further instalments (if all the options are exercised) of \$39,125 in 1973, \$47,125 in 1974, \$75,875 in 1975, and \$18,200 in 1976. 19,545

Brought Forward \$203,445

In 1972 the Company caused to be staked 350 claims in the Leaf Bay Area, New Quebec, P.Q., for a sum of \$15,750 15,750

Also in the year the Company caused to be staked 157 claims in Clermont and Lavergne Townships, Abitibi, P.Q., for a sum of \$5,000 5,000

TOTAL \$224,195

QUEBEC STURGEON RIVER MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1973
(unaudited)

3. CORPORATE JOINT VENTURES

	<u>% Interest</u>	<u>Shares</u>	<u>Advances</u>	<u>Total</u>
Jupiter Minerals Inc.	95%	\$95	\$45,662	\$45,757
Coniagas Research Inc.	25%	<u>2</u>	<u>10,268</u>	<u>10,270</u>
		<u>\$97</u>	<u>\$55,930</u>	<u>\$56,027</u>

Jupiter Minerals Inc. is a joint exploration company in which Quebec Sturgeon owns 95% and The Coniagas Mines, Limited 5% of the shares. By an agreement with Coniagas dated May 2, 1972 Quebec Sturgeon acquired a 15% undivided interest in 35 mining leases in the Beardmore Area, Townships of Irwin, Elmhirst, Walters and Pifher, District of Thunder Bay, Province of Ontario, in consideration for 200,000 previously unissued shares of Quebec Sturgeon, being the fair equivalent of \$42,300. Quebec Sturgeon then conveyed its 15% interest and Coniagas its 85% interest in the claims to Jupiter.

Under an operating agreement Quebec Sturgeon shall be responsible for the administration of exploration programs of Jupiter and pay 95% of the expenses in carrying out such programs.

The advance of \$45,662 to Jupiter shown above consists of \$42,300, being consideration for conveyance of 15% interest in the mining property, plus \$3,362 in cash. In addition Quebec Sturgeon made net exploration expenditures of \$14,914.64 on Jupiter's properties. This amount has been charged to deferred development expenditures of Quebec Sturgeon.

The financial statements of Quebec Sturgeon do not include the accounts of Jupiter; Jupiter has no assets other than mining properties and it has substantial liabilities which are not guaranteed by Quebec Sturgeon.

Quebec Sturgeon also acquired 25% of the outstanding shares of Coniagas Research Inc. for a nominal consideration of \$2. Coniagas Research Inc. is pursuing the marketing of certain technical inventions and has also acquired an atomic absorption laboratory for geo-chemical analysis of trace elements.

4. CONTRIBUTED SURPLUS

In 1964 there was a capital reorganization which resulted in a decrease of \$1,417,409 in the net book value of the capital stock and a transfer of this amount to contributed surplus. At the same time mining properties and development expenses totalling \$379,591 were written off, reducing this surplus to the current balance of \$1,037,818.

5. FIXED ASSETS - AT COST

Equipment, structures and roads	<u>\$67,377</u>
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It is the Company's policy not to provide depreciation on fixed assets until properties are brought into production or abandoned.

QUEBEC STURGEON RIVER MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1973
(unaudited)

6. SHARE CAPITAL

By amendment of articles dated June 16, 1972, the Company changed its 2,461,113 issued and 2,538,887 unissued shares with a par value of \$1 each into 2,461,113 issued and 2,538,887 unissued shares without par value.

During 1972 1,377,500 shares were issued for a total consideration of \$464,963.

	<u>Gross</u>	<u>Discount</u>	<u>Net</u>
Balance at December 31, 1971	2,461,113	1,617,553	843,560
June private placement of 650,000 shares @ 17¢ per share	<u>650,000</u>	<u>539,500</u>	<u>110,500</u>
	<u>\$3,111,113</u>	<u>\$2,157,053</u>	
Par value shares changed to no par value			954,060
Options exercised under the Officers and Employees Stock Option Plan dated June 1, 1972 for 50,000 shares at 31½¢ per share			15,750
Public offering of 350,000 shares at 58¢ per share			203,000
Issued 200,000 shares for 35 mining leases in Beardmore Area, Ontario at a fair equivalent of			42,300
Issued 150,000 shares for 19 mining claims in the Bachelor Lake Area, P.Q. at a fair equivalent of			<u>100,500</u>
Balance at March 31, 1973			<u>\$1,315,610</u>

7. STOCK OPTION PLAN

Pursuant to an Officers and Employees Stock Option Plan dated June 1, 1972 the Company granted options aggregating 76,000 shares exercisable on or before June 16, 1973 at a price of 31.5¢ per share. At December 31, 1972 options were exercised on 27,500 shares for a total sum of \$8,662 and in the three month period ended March 31, 1973 options were exercised on an additional 22,500 shares for a total sum of \$7,088.

8. MISCELLANEOUS

The aggregate remuneration paid to the directors and the five highest paid employees of the Company for 1972 and 1971 was \$24,611 and \$1,400 respectively.

9. EXPLORATION ASSISTANCE AGREEMENT

On September 5, 1972 the Company entered into an Exploration Assistance Agreement with the Ontario Minister of Natural Resources covering lands in Irwin, Pifher, Walters and Elmhirst Townships. These lands are held by the Company's subsidiary, Jupiter Minerals Inc. Under the agreement the Minister agreed to reimburse the Company for one-third of all actual exploration and development expenditures incurred, not to exceed \$24,000. The agreement further provides that work done prior to August 9, 1972 shall not be reimbursed and that at least 75% of the total cost shall be completed and reimbursed on or before March 31, 1973. As at March 31, 1973 total expenditures incurred in this project amounted to \$22,149.62 of which \$19,360.20 is eligible for a one-third reimbursement under this Assistance Agreement and is reflected in the financial statements as a receivable item.

ENGINEER'S REPORT

Note: The following report is by K.C. Wilson,
P. Eng., dated May 7/73, on Quebec Sturgeon
River Mines Limited.

K. C. WILSON, P. ENG.
MINING ENGINEER
329-55TH STREET
DELTA, BRITISH COLUMBIA

604-943-2819

REPORT

QUEBEC STURGEON RIVER MINES LIMITED

Suite 401, 25 Adelaide Street West,

Toronto M5H 1N3

INTRODUCTION

Quebec Sturgeon River Mines Limited (Quebec Sturgeon) is a Canadian mining company formed under an Ontario charter in 1934 to operate a gold mine in the Beardmore area of Northwestern Ontario. The Coniagas Mines, Limited, (Coniagas) another Canadian corporation, holds effective stock control of Quebec Sturgeon. The Company now proposes to carry out an extensive underground development program at its gold property in Lesueur Township, Abitibi County, Quebec, and exploratory diamond drilling on a gold prospect in the Timmins area of Ontario.

MINING PROPERTIES

1. Beardmore Area, Ontario

The original gold producing property of the Company consists of 35 mining leases in the Townships of Irwin, Elmhirst, Walters and Pifher, District of Thunder Bay. This is held under the name of Jupiter Minerals Inc. in which Quebec Sturgeon has a 95% interest and Coniagas a 5% interest. The gold orebody has been developed to a depth of 1,700 feet and partially mined out to that elevation, but the ore is believed to persist to greater depth. The gold ore occurs in narrow quartz veins that the Company does not consider to be economic even at current gold prices. Field work carried out during 1972 has indicated the presence of extensive zones of zinc mineralization with associated values in copper, lead, gold and silver. Further investigation of these occurrences is being held in abeyance pending development of the Quebec gold property.

2. Savant Lake, Ontario

The Company has a 50% interest with Coniagas in 27 unpatented claims in Jutten Township, Patricia Mining Division. These were staked in 1972 to cover an area of gold showings. Results of a preliminary examination have not been encouraging and no further work is planned at this time.

3. Leaf Bay, New Quebec

Quebec Sturgeon and Mineral Resources International Limited have a 50/50 joint venture arrangement in 350 unpatented mining claims in Townships 6345 and 6445 along the west side of Ungava Bay, New Quebec. These claims embrace an area of approximately 14,000 acres upon which are extensive showings of copper and nickel mineralization. As both owners are fully occupied with major projects of their own, it is proposed to try and interest a third party in the exploration of the claims during the 1973 and 1974 field seasons.

4. Normetal Area, Northwestern Quebec

In November and December, 1972, the Company caused to be staked 157 claims in six groups in Clermont, Lavergne, Chazel and La Sarre Townships of Abitibi County, Quebec. These claims lie in an area covered by an airborne geophysical survey made by the Quebec Government. Some anomalies are known to occur on the claims and, if finances permit, Quebec Sturgeon hopes to carry out a reconnaissance investigation of these during 1973. The staker retains a 10% interest in these claims.

5. Taylor and Stock Townships, Porcupine Gold District, Ontario

During the summer of 1972 and early in 1973, Quebec Sturgeon, by options and staking, acquired rights to approximately 2,000 acres in Stock and Taylor Townships of the Porcupine and Larder Lake Mining Divisions. These properties, all contiguous except for one 160-acre parcel in Stock, lie along the Porcupine-Destor fault, a recognized gold-bearing structure. Drilling has been in progress on these properties since January 1973 and to date more than 10,000 feet has been drilled in 20 holes. In addition to some very useful structural information in this completely overburdened area, the Company has obtained low grade but encouraging gold values in one sector that will warrant continuation of the program. Company geologists have requested an allocation of \$90,000 for further exploratory drilling, plus an additional \$40,000 for option maintenance.

6. Lesueur Township, Bachelor Lake Area, Quebec

The Company holds mineral rights to approximately 1,533.5 acres including surface rights to 38.5 acres in Ranges III, IV and V of Lesueur Township, Abitibi County, Quebec. The property is located about one mile south of Highway 58 connecting Senneterre and Chibougamau at the settlement of Desmaraisville. The Amos-Chibougamau line of the Canadian National Railway is about the same distance away. Low voltage power is available from Quebec Hydro at Desmaraisville and high voltage at Miquelon, 15 miles to the west. A good water source is available from Bachelor Lake less than two miles from the mine site. Telephone service is also available at Desmaraisville.

The main feature of the property is a deposit of gold ore situated on Concession #510 in the west central part of the property. Discovered in 1946 by prospectors for O'Brien Gold Mines Limited the claims have had 58,000 feet of surface drilling done on them in 104 holes. In addition, 17 holes bored underground from shaft stations account for another 5,239 feet.

In 1961, Sturgeon River Gold Mines acquired the property from O'Brien Gold Mines Limited and subsequently sank a vertical, three-compartment production shaft on the gold zone to a depth of 1,111 feet. Beginning at 175 feet below surface, seven stations were cut at 150-foot intervals and the drilling mentioned above was conducted from the 1st, 2nd, 5th and 6th stations.

Using all available drill data, company geologists estimate that the deposit as presently outlined to a vertical depth of 925 feet, for a maximum strike length of 900 feet (bottom level) and an average true width of 16.5', contains 933,360 short tons grading 0.217 oz. in gold per ton. No allowance has been made for dilution.

The writer has not made an independent calculation of this tonnage but has studied the data and method used and believes it to be a reasonable estimate of drill-indicated tonnage. The zone is open for downward extension and probably for strike extension on the 925 horizon. The ore occurs in a silicified shear zone that appears to be quite competent in the drill cores and should cause no particular mining problems. Preliminary mill testing indicates that a high recovery at a reasonable grind is probable.

The Company desires to prove up the drill-indicated tonnage and to this end the writer has laid out the following program to be commenced as soon as possible:

1. Dewater and if necessary rehabilitate present headframe and shaft timbers.
2. Crosscut and drift along the ore zone on the 175', 325' and 475' levels.
3. Drive two widely spaced raises from the 475' level through to surface.
4. Carry out sectional diamond drilling at 50-foot intervals for the length of each drift.
5. If finances permit, carry out a similar drifting and drilling program on the 925-foot level. This is strongly recommended.

In a confidential detailed report to the Company dated April 10, 1973 the writer has estimated the cost of developing the first three levels as outlined in Nos. 1-4 above at a cost of \$600,000, provided the work can be done during the summer months and several headings advanced simultaneously. An additional \$100,000 will be necessary to develop the 925' level for a 1,000 foot strike length, provided it can be done concurrent with the other work.

This five month development program should put the present drill-indicated tonnage into the proven category, establish the type of mining that may be applicable, and furnish a large bulk sample of ore for metallurgical testing and mill layout.

A generalized breakdown of costs for the program would be as follows:

Project Design	\$ 10,000.
Plant Construction	33,000.
Shaft Dewatering	11,000.
Shaft Rehabilitation	26,000.
Development	160,000.
Diamond Drilling & Assaying	10,000.
Rentals	100,000.
Operation	45,000.
Supervision & Labour	80,000.
Administration	70,000.
Miscellaneous	25,000.
Contingencies	30,000.
	\$600,000.
Fourth Level Development	100,000.
TOTAL:	\$700,000.

Respectfully submitted,

K. C. Wilson

K. C. Wilson, BSc., P. Eng.

Toronto, Ontario,
May 7, 1973.



K. C. WILSON, P. ENG.
MINING ENGINEER
329 - 55TH STREET
DELTA, BRITISH COLUMBIA

604-943-2819

C E R T I F I C A T E

I Kenneth C. Wilson of the City of Delta in the Province of British Columbia, do hereby certify:

1. That I am a graduate in Mining Engineer of Queen's University (1939) and have practised my profession for more than 30 years.
2. That I am a member of the Association of Professional Engineers of Ontario.
3. That I have no personal interest nor do I expect to receive any interest, directly or indirectly, in the properties involved in this report, or in the securities of any company which may acquire the property.
4. That this report is based on a visit to the Lesueur Township, Quebec property during December, 1972, and a study of Company records for their Canadian operations.

K. C. Wilson

K. C. Wilson, BSc., P. Eng.

Toronto, Ontario,
May 7, 1973.



15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state..

	<u>Name</u>	<u>Address</u>	<u>Shareholdings</u>
1.	The Coniagas Mines, Limited	Suite 401, 25 Adelaide Street West, Toronto, Ontario.	1,146,915
2.	Trunoms Limited	P.O. Box 100, Nassau Bahamas.	638,300
3.	Draper, Dobie & Co. Ltd.,	25 Adelaide Street West, Toronto, Ontario.	259,900
4.	Bansco & Co.,	44 King Street West, Toronto, Ontario.	166,551
5.	Cassels, Blaikie & Co. Ltd.	110 Yonge Street, Toronto, Ontario.	162,511

1. The shares are beneficially owned.
2. The Company's records indicate the beneficial owner is Mildura Investments Limited, c/o Wobaco Trust Limited, Box 100, Shirley Street, Nassau, N.P., Bahamas. The Company has been advised the only person holding more than 5% of the issued capital of Mildura Investments Limited was International Relief & Development Foundation, c/o Wobaco Trust Limited, Box 100, Shirley Street, Nassau, N.P., Bahamas.
3. The Company is not aware of the beneficial owners, except P.E. Boylen, a director of the Company, beneficially owns approximately 35,000 of such shares and Anglo Estates Limited, Suite 205, 73 Simcoe Street, Toronto, Ontario, a Corporation of which G.W. Armstrong is the principal holder, beneficially owns 23,500 of such shares.
4. The Company is not aware of the beneficial owners, except H.D. Snelling, a director of the Company, beneficially owns 20,000 of such shares.
5. Anglo Estates Limited, referred to above, is the beneficial owner of 101,000 shares of the Company. Certain of such shares, but excluding the 23,500 shares referred to in paragraph 3 above, may be beneficially owned by Anglo Estates Limited, but the Company is not aware of the number of such shares.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The Coniagas Mines, Limited, Suite 401, 25 Adelaide Street West, Toronto, Ontario, and its wholly owned subsidiary, Coniagas Reduction Limited, of the same address, own 1,146,915 out of 3, 862,113 issued shares. Mr. George Warren Armstrong owns 864,825 out of 2,984,034 issued shares of The Coniagas Mines, Limited and may therefore control the aforementioned company.				
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<u>UNITS</u>	<u>SECURITY</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u> <u>UNIT</u> <u>TOTAL</u>	
	294,938	Beauce Placer Mining Co. Ltd.	\$ 38,481	Nominal	Nominal
	275,000	Millstream Mines Limited	\$981,417	Nil	Nil
	2	Coniagas Research Inc.	\$ 2	Nil	Nil
	Notes Receivable				
		5% Unsecured, deferred subordinated notes Beauce Placer Mining Co. Ltd.	\$175,000		
		5% Bank of Nova Scotia Certificate of Deposit (2 month)	50,000		
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.				
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	The Company has a diamond drill contract with Inspiration Limited, dated October 30, 1972, to carry out diamond drilling on the Company's Taylor-Stock Township properties. The Company has acquired options to purchase 12 properties in the Townships of Stock and Taylor in the Porcupine and Larder Lake Mining Divisions, respectively. To date payments aggregating \$19,545 have been made with further instalments of \$39,125 in 1973, \$47,125 in 1974, \$75,875 in 1975 (which includes final instalments in respect of 9 properties) and \$18,200 in 1976 (final instalments on the 3 remaining properties).				
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	The Company has incorporated a United Kingdom subsidiary, Anglo Canadian Exploration (ACE) Limited, with a capitalization of £100 consisting of 100 ordinary share of £1 each. No shares of the Company are in the course of distribution to the public. There are no other material facts.				

DATED May 15, 1973

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"H.P. Coplan"

"O.A. Seeber"

QUEBEC STURGEON RIVER MINES LIMITED
President
Vice-President of Exploration

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

